

Women-Owned Business

ANNUAL REPORT
CY2013



Department of Economic Development

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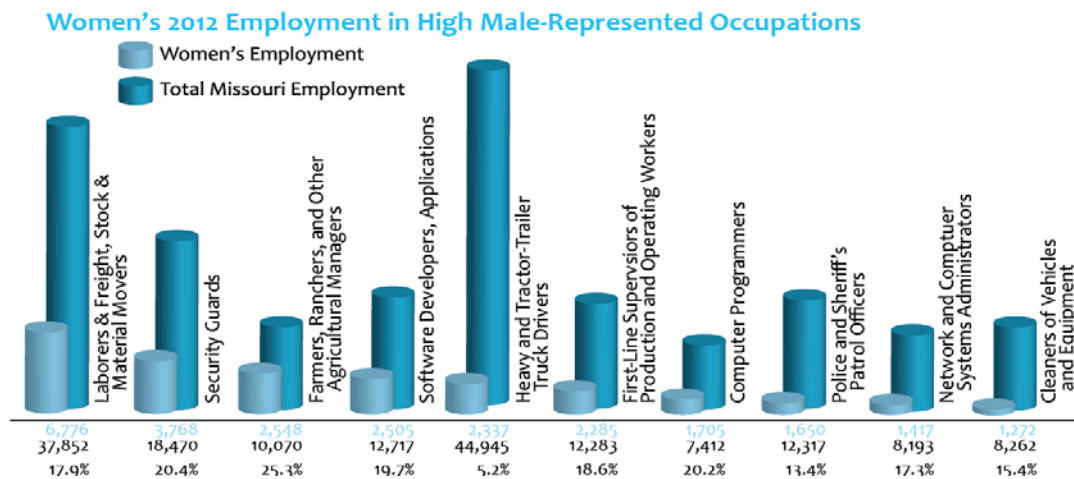
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FACTS of WOMEN-OWNED BUSINESS in MISSOURI

According to the most recent MERIC Report, there were slightly more than 1.47 million women in Missouri's workforce throughout 2012, or more than 48% of the state's labor force.

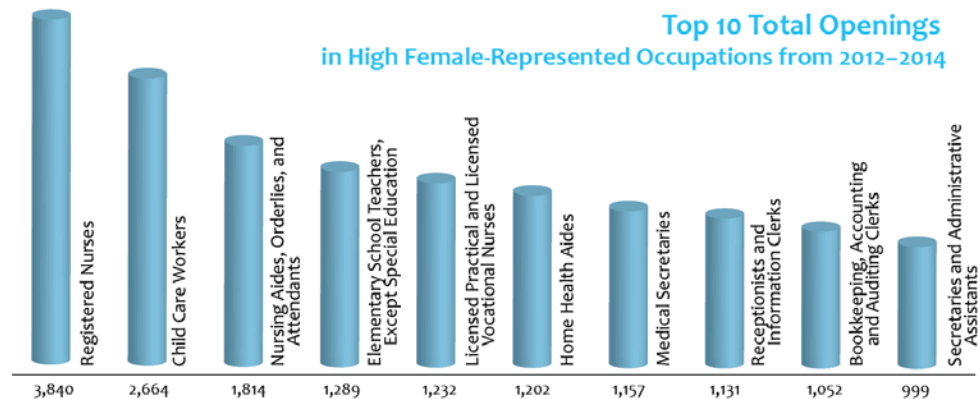
Women in high male-represented Jobs¹

For total Missouri employment in high male-represented jobs with highest female employment, the largest percentage that women will make of the workforce is 23%. In some occupations, women only amount to less than 1% of hired employees.



Employment Changes²

High female-represented occupations will supply 25,710 openings for females compared to the 171,434 total openings in Missouri by 2014. There are 8,747 openings attributed to growth, or approximately 28.5% of total openings in high female-represented occupations.



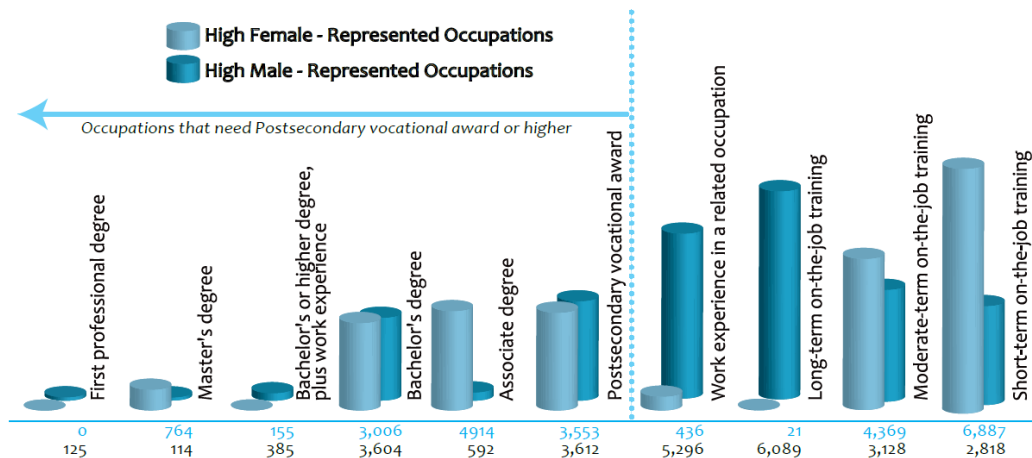
¹ Source: MERIC – Missouri Economic Research & Information Center.

² Source: MERIC – Missouri Economic Research & Information Center.

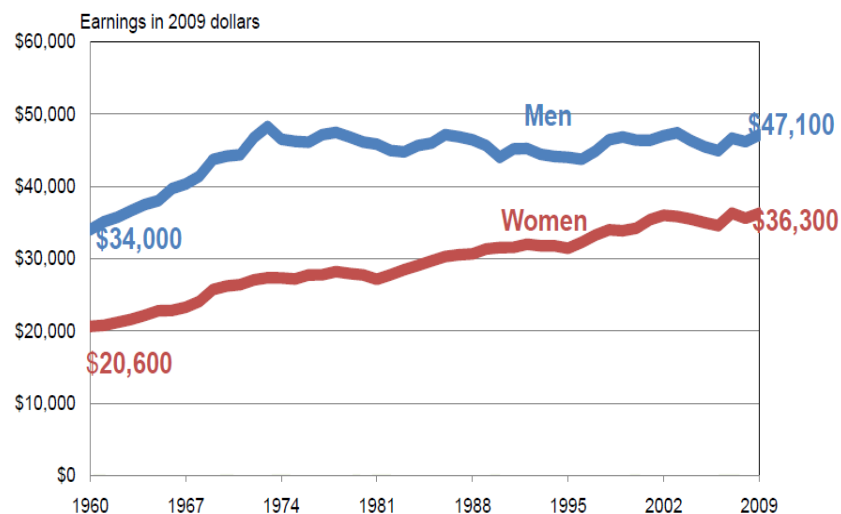
Educational Requirements³

Of the occupational openings that will occur from 2012-2014 more than 11,100 openings in high female-represented occupations will recommend a Postsecondary vocational award or higher for employment, compared to just 7,430 in high male-represented.

High Male and Female-Represented Occupations by Educational Attainment



Median Earnings of Full-Time, Year Round Workers⁴



³ Source: MERIC – Missouri Economic Research & Information Center.

⁴ Source: United States Census Bureau, U.S. Department of Commerce

2013 WOMEN-OWNED BUSINESS STATISTICAL DETAILS

During calendar year 2013, the Department of Economic Development (DED) offered the following incentives for the retention, expansion, recruitment or start-up of businesses:

- Business Facility Tax Credit
- Brownfield Jobs and Investment Tax Credit
- Business Use Incentives for Large-Scale Development
- Development Tax Credit
- Enhanced Enterprise Zone Tax Credit
- Enterprise Zone Tax Credit
- Manufacturing Jobs Act
- Missouri Works Job Development Fund
- Missouri Works New Jobs Training Program
- Missouri Works Job Retention Training Program
- Missouri Quality Jobs Programs
- New Enterprise Creation Act
- Rebuilding Communities Tax Credit
- CAPCO – Certified Capital Company
- Urban Enterprise Loans
- Wine & Grape Program
- Action Fund Loan
- Small Business Loan
- Grow Missouri Loan
- IDEA Fund
- Chapter 100 State Sales Tax Exemption

The total number of tax credits issued under the above programs was two hundred and seventy-four (274), out of which thirteen (13) or 5% were issued to women-owned businesses.

The women-owned businesses were organized as a Close-Corporation (1), a General corporation (1), a Corporation, Subchapter S (7), an LLC – Limited Liability Company (3), and a Sole Proprietorship (1). The women-owned businesses received a total of \$368,729.37 in tax credits or 1% of the total.

The Missouri Works Job Development Fund, administered by the Division of Workforce Development to fund the Missouri Works Customized Training Program, approved training for 417 companies and six training consortiums. The total amount of training authorized in 2013 was \$12,527,750, and the total amount reimbursed to companies was \$11,860,997.65. Twenty-five (25) women-owned businesses were authorized for \$321,600 in training and reimbursed for \$292,242.91 in training costs during 2013 for previously approved projects. The

remaining 392 companies and six training consortiums were authorized to receive a total of \$12,206,150 in training and were reimbursed for \$11,568,754.74.

The Department of Economic Development programs that authorize the retention of withholdings tax as a benefit include the Missouri Quality Jobs Program, Missouri Manufacturing Jobs Program, Missouri Works New Jobs Training Program and the Missouri Works Job Retention Training Program. For calendar year 2013, Quality Jobs programs authorized retained withholdings for 73 companies for new jobs, two companies were women-owned businesses. The women-owned businesses retained approximately \$130,000 or less than 1% of the total \$30 million in withholding taxes retained under the referenced programs. The Missouri Works New Jobs Training Program authorized 9 projects for a total of \$7,127,351 and the Missouri Works Job Retention Training Program authorized 5 projects for a total of \$5,130,297. Neither of the Training Program projects were to women-owned business.

The Department of Economic Development also administers 4 loan programs. The Action Fund Loan and Grow Missouri Loan are administered byDED, the Small Business Loan is administered by Missouri Development Finance Board (MDFB), and the IDEA Fund is administered by the Missouri Technology Corporation. Of those 4 programs, the Small Business Loan approved 2 loans to women-owned businesses for a total of \$75,000.

The Department also administers the Chapter 100 State Sales Tax Exemption program of which no bonds were issued for women-owned businesses.

DESCRIPTION OF INCENTIVE PROGRAMS

BROWNFIELD REDEVELOPMENT, 447.700 – 447.718, RSMO

The purpose of this program is to provide financial incentives for the redevelopment of commercial and industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years. The program authorizes remediation tax credit, demolition tax credit and jobs and investment tax benefits.

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT, 100.700-100.820, RSMO

The purpose of this program is to provide a financial incentive for the location or expansion of large business projects. The incentives are designated to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding. The program provides state tax credits to a business in the amount of debt service payments for industrial revenue bonds related to a portion of project costs.

CAPCO – CERTIFIED CAPITAL COMPANY, 135.500- 135.529, RSMO

The purpose of this program is to induce private investments into certified venture capital funds that invest in new or growing Missouri small businesses. Private venture capital firms apply to the department for certification as a CAPCO that make equity investments in eligible Missouri businesses. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized.

DEVELOPMENT TAX CREDIT, 32.100-32.125, RSMO

The purpose of this program is to facilitate a business project in order to create new jobs. The program offers state tax credits to taxpayers making contributions to a non-for-profit corporation for projects approved by DED. The credits are for 50% of the contribution of cash or the value of certain types of property.

ENHANCED ENTERPRISE ZONE TAX CREDIT, 135.950 – 135,973, RSMO

The purpose of this program is to provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone. Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development.

Tax credits may be provided each year for up to five years, based on tax credits reserved for the project.

ENTERPRISE ZONE TAX CREDIT, 135.200-135.270, RSMO

The purpose of this program is to provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones. Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time.

Pursuant to SB 1155 (2004), the Enterprise Zone Tax Credit Program is being phased out of existence.

MISSOURI MANUFACTURING JOBS ACT, 620.1910, RSMO

The purpose of this program is to allow qualified auto manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state. The MMJ – expanded or new product can retain 10 years of withholdings based on their investment per retained job and MMJ – Suppliers can retain withholdings for either three or five years based on the average wage of the new job.

MISSOURI WORKS TRAINING, 620.800-620.809, RSMO

The purpose of the program is to provide training assistance for new and existing workers allowing companies to stay competitive and create jobs. The Department of Economic Development, through the Division of Workforce Development, partners with Missouri community colleges and other local education agencies to offer training resources and funding to eligible company start-ups, expansions and existing companies needing to upgrade workers' skills. (Missouri Works Training replaces the previous statutes for the Missouri Job Development Fund, New Jobs Training Program, and Job Retention Training Program.)

MISSOURI QUALITY JOBS PROGRAMS, 620.1875 – 620.1890, RSMO

The purpose of this program is to facilitate new quality jobs by targeted business projects. For "small and expanding" businesses, the benefits of the program are the retention of the state withholding tax of the new jobs. For "technology" and "high impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable and/or sellable. The program benefits are based on a percentage

of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

NEW ENTERPRISE CREATION ACT, 620.635 – 620.653, RSMO

The purpose of this program is to generate investment for Missouri startup businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from large-stage funds. Prolog Ventures, LLC was selected as the Fund Manager to raise the tax refundable contributions and manage the investments of the fund. Prolog will make investments in qualified Missouri businesses in need of early-stage or “seed” funding. At this point, all credits allowed under the law have been authorized.

NEW OR EXPANDING BUSINESS FACILITY TAX CREDIT PROGRAM, 135.100-135.150, 135.258, RSMO

The purpose of the program is to provide tax incentives to facilitate the expansion of new or existing businesses in Missouri. State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations. Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence, except for certain headquarters projects.

REBUILDING COMMUNITIES TAX CREDIT PROGRAM, 135.535, RSMO

The purpose of this program is to stimulate business activity in Missouri’s “distressed communities” by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

URBAN ENTERPRISE LOAN, 620.1023, RSMO

The Missouri Department of Economic Development (DED) contracts for the administration of a micro-lending program to assist Missouri's small business owners with the creation, expansion and retention of their business enterprise, located in the St. Louis and Kansas City urban areas.

WINE & GRAPE PROGRAM, 135.700 RSMO

The purpose of this program is to assist vineyards and wine producers with the purchase of new equipment and materials by granting a tax credit for a portion of the purchase price. The tax

credit is in the amount equal to 25% of the purchase price of new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.

ACTION FUND LOAN, 42 USC § 5301 et seq., 24 C.F.R. Part 570; and Missouri's "Consolidated Plan" submitted to the US Department of Housing & Urban Development

The purpose of this program is to provide a loan to certain types of for-profit companies that need funds for buildings, equipment, working capital, land and other facilities or improvements in order to cause a project to occur which will result in the creation or retention of full-time permanent employment.

SMALL BUSINESS LOAN PROGRAM

This program works with the Missouri Development Finance Board to create a pool of funds for low-interest or no-interest direct loans for small businesses. The minimum loan amount is \$2,500 and the maximum amount is \$50,000.

GROW MISSOURI LOAN PROGRAM

The purpose of this program is to facilitate the funding of an expansion project that would be unlikely to occur without the loan fund in order to create or retain full-time jobs for targeted businesses.

IDEA FUND PROGRAM

The purpose of the IDEA Fund is to promote the formation of growth of businesses that engage in the transfer of science and technology into job creation. The program is administered by the Missouri Technology Corporation (MTC) which is a public-private partnership created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies. MTC focuses on 21st Century bioscience industries that build on Missouri's rich history in agriculture.

CHAPTER 100 STATE SALES TAX EXEMPTION, 144.054(3) RSMO

This program offers a discretionary incentive that provides a sales tax exemption on tangible, depreciable personal property purchased through Chapter 100 bonds for non-manufacturing equipment purchases. Companies eligible for Chapter 100 bond financing include manufacturing, warehousing, distribution, office, research and development, agricultural processing and services in interstate commerce. Retail services in intrastate commerce and others are not eligible.

TABLE 1

Distribution of Benefits Issued in Calendar Year 2013 for the retention, expansion, new or start-up of businesses**Tax Credit Programs**

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	\$ Tax Credits	#Credits Issued	\$ Tax Credits	#Credits Issued	\$ Tax Credits	#Credits Issued
BFC - New/Expanding Business Facility	\$ 51,075.00	3	\$ 5,789,202.00	10	\$ 5,840,277.00	13
Brownfield Redevelopment - Jobs & Investment	\$ 176,231.71	1	\$ 34,909.10	1	\$ 211,140.81	2
BUILD - Business Use Incentives for Large Scale Development	\$ -		\$ 9,028,378.79	26	\$ 9,028,378.79	26
CAPCO - Certified Capital Company	\$ -		\$ -		\$ -	0
DTC - Development Tax Credit	\$ -		\$ 4,196,765.03	5	\$ 4,196,765.03	5
EEZ - Enhanced Enterprise Zone	\$ 60,830.66	5	\$ 8,305,096.00	100	\$ 8,365,926.66	105
EZ - Enterprise Zone	\$ -		\$ 1,062,772.00	1	\$ 1,062,772.00	1
MQJ - Missouri Quality Jobs	\$ 43,429.65	1	\$ 19,671,209.12	57	\$ 19,714,638.77	58
NECA - New Enterprise Creation Act	\$ -		\$ -		\$ -	0
RC - Rebuilding Communities	\$ 33,319.53	2	\$ 1,372,993.82	50	\$ 1,406,313.35	52
Wine & Grape	\$ 3,842.82	1	\$ 29,163.23	11	\$ 33,006.05	12
TOTAL	\$ 368,729.37	13	\$ 49,490,489.09	261	\$ 49,859,218.46	274

Training Reimbursement Program

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	\$ Approved	\$Spent	\$Approved	\$Spent	\$Approved	\$Spent
MO Works Job Development Fund	\$ 321,600.00	\$ 292,242.91	\$ 12,206,150.00	\$ 11,568,754.74	\$ 12,527,750.00	\$ 11,860,997.65
	# of Companies	25	# of Companies	392	# of Companies	417
	# of Training Consortiums		6	# of Consortiums	6	

MO State Withholdings Retained Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	WH retained	# Companies	WH retained	# Companies	WH retained	# Companies
Manufacturing Jobs	\$ -	-	\$ 3,671,189.59	1	\$ 3,671,189.59	1
MQJ - Missouri Quality Jobs	\$ 130,258.60	2	\$ 26,840,166.54	71	\$ 26,970,425.14	73
MO Works New Jobs Training Program	\$ -	-	\$ 7,127,351.00	9	\$ 7,127,351.00	9
MO Works Job Retention Training Program	\$ -	-	\$ 5,130,297.00	5	\$ 5,130,297.00	5
TOTAL	\$ 130,258.60	2	\$ 42,769,004.13	86	\$ 42,899,262.73	88

Company Type for Tax Credit Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	Tax Credits	# Companies	Tax Credits	# Companies	Tax Credits	# Companies
Bank - Financial Institution	\$ -	-	\$ -	-	\$ -	-
C-Corp. - Close Corporation	\$ 21,849.81	1	\$ 20,883,333.95	70	\$ 20,905,183.76	71
Prof-Corp - Professional Corporation	\$ -	-	\$ -	1	\$ -	1
G-Corp - General Corporation	\$ 10,621.57	1	\$ 5,044,479.58	15	\$ 5,055,101.15	16
LLC - Limited Liability Company	\$ 61,521.65	3	\$ 8,223,566.58	70	\$ 8,285,088.23	73
LLP - Limited Liability Partnership	\$ -	-	\$ 1,110,881.95	1	\$ 1,110,881.95	1
LP - Limited Partnership	\$ -	-	\$ 35,195.30	1	\$ 35,195.30	1
Not-for-Profit Corp	\$ -	-	\$ 180,646.58	3	\$ 180,646.58	3
Partnership	\$ -	-	\$ 750,000.00	1	\$ 750,000.00	1
Insurance	\$ -	-	\$ -	-	\$ -	-
S-Corp - Corporation, Subchapter S	\$ 259,080.25	7	\$ 6,301,843.78	57	\$ 6,560,924.03	64
Sole. Propr. - Sole Proprietorship	\$ 3,842.82	1	\$ 1,920.90	2	\$ 5,763.72	3
Individual	\$ -	-	\$ 2,586.84	1	\$ 2,586.84	1
Partner/Shareholder in Partnership/S-Copr	\$ -	-	\$ 92,956.24	7	\$ 92,956.24	7
TOTAL	\$ 356,916.10	13	\$ 42,627,411.70	229	\$ 42,984,327.80	242

Note: Total number of credits and total number of companies will not agree because a company can qualify for various programs.

Loan Programs

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	Amount Approved	# Companies	Amount Approved	# Companies	Amount Approved	# Companies
Action Fund Loan	\$ -	-	\$ -	-	\$ -	-
Small Business Loan	\$ 75,000.00	2	\$ -	-	\$ 75,000.00	2
Grow Missouri Loan	\$ -	-	\$ -	-	\$ -	-
IDEA Fund	\$ -	-	\$ 3,590,499.00	16.00	\$ 3,590,499.00	16
Total	\$ 75,000.00	2	\$ 3,590,499.00	16	\$ 3,665,499.00	18

Bond Exemption Program

	Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
	Amount Exempted	# Companies	Amount Exempted	# Companies	Amount Exempted	# Companies
Chapter 100 State Sales Tax Exemption	\$ -	-	\$ 64,782,010	5	\$ 64,782,010.00	5

CHART 1(a)

Amount of Tax Credits Issued

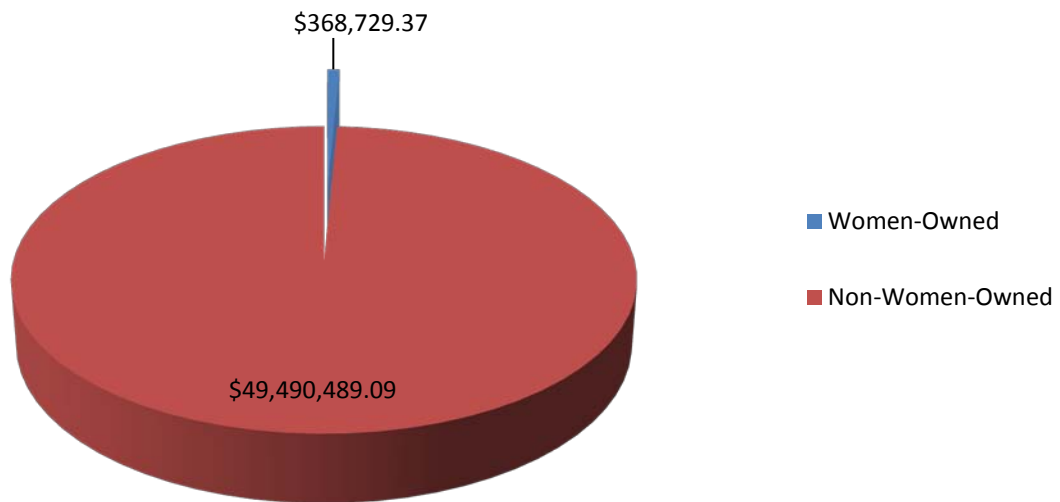


CHART 1(b)

Tax Credit for Women-owned Business by Program

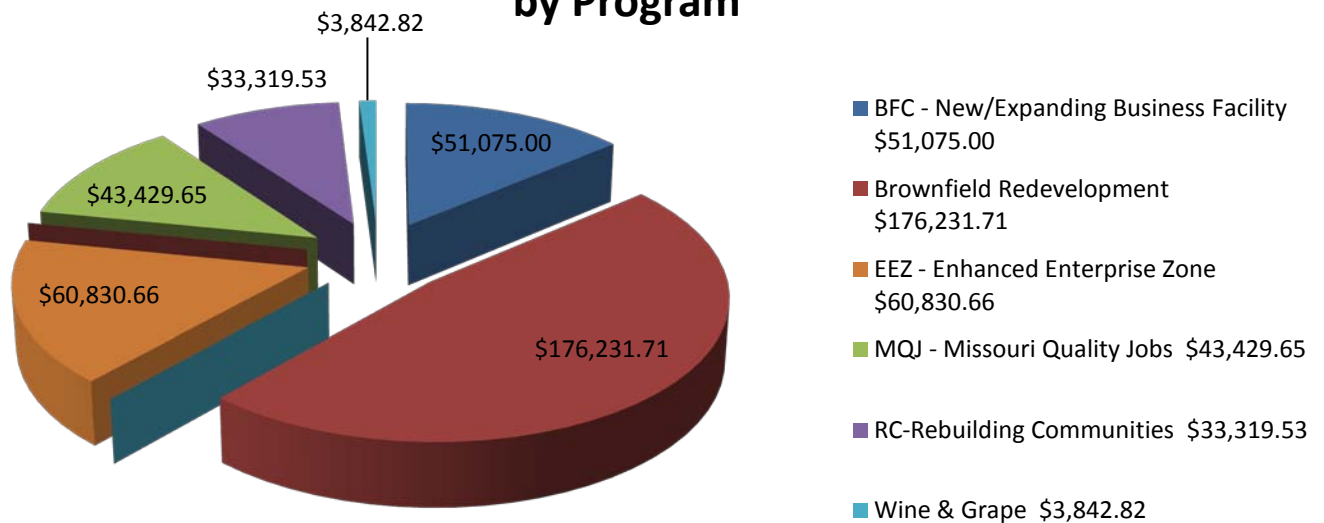


CHART 2

Number of Women-owned Businesses by Program

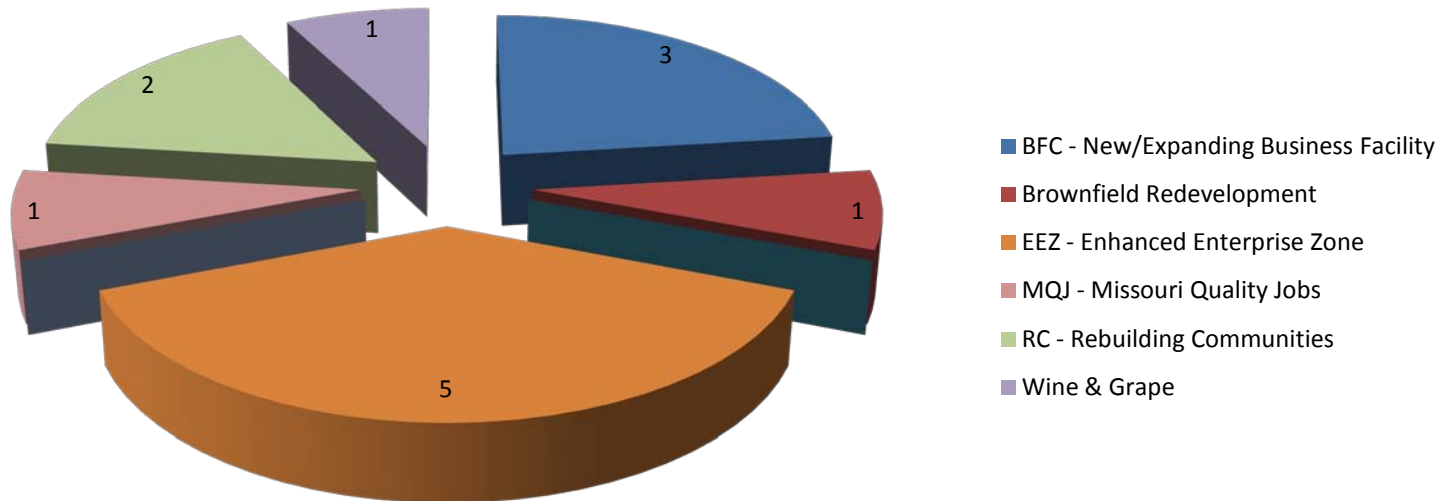


CHART 3(a)

Number of Tax Credits Issued

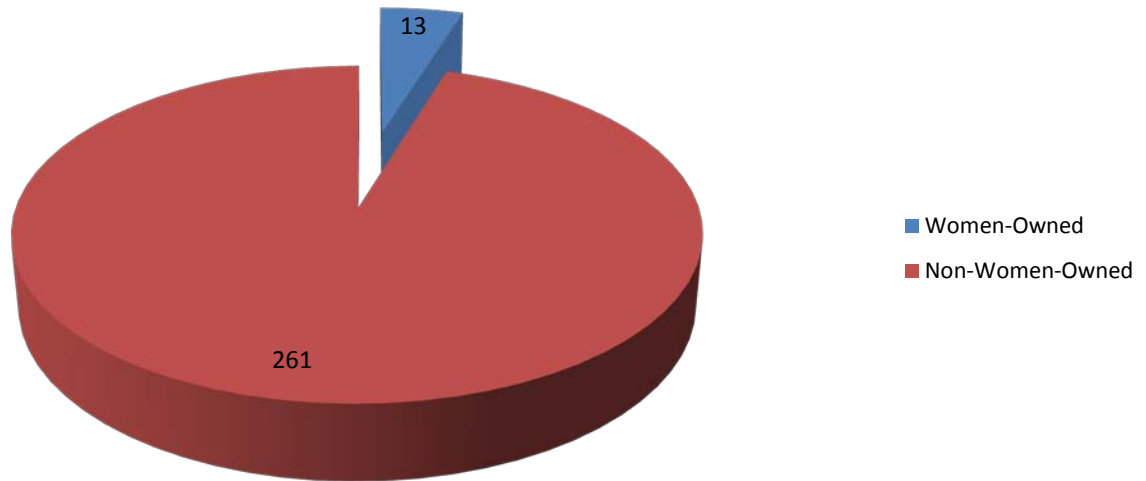


CHART 3(b)

Number of Women-owned Business by Company Type

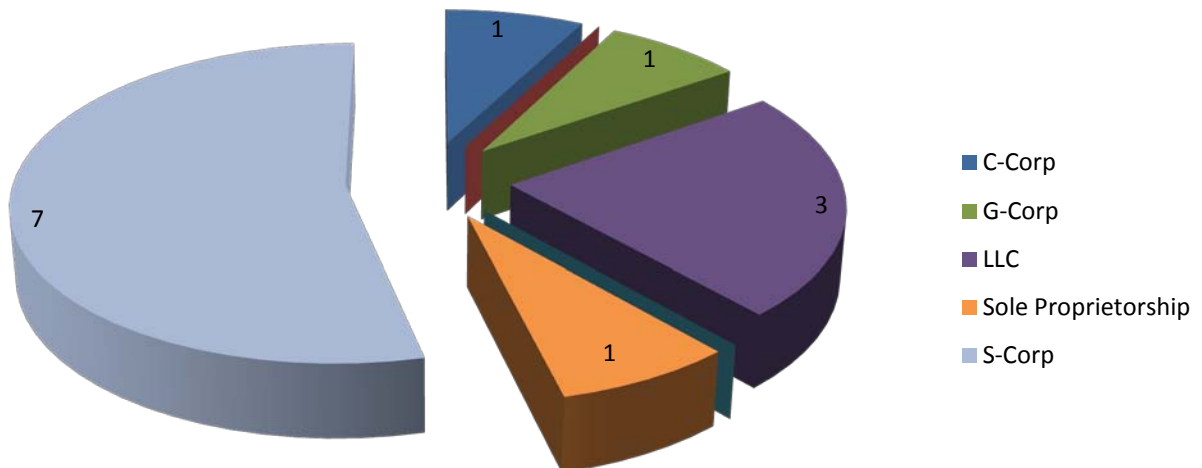


CHART 4(a)

MO Works Job Development Fund \$ Spent

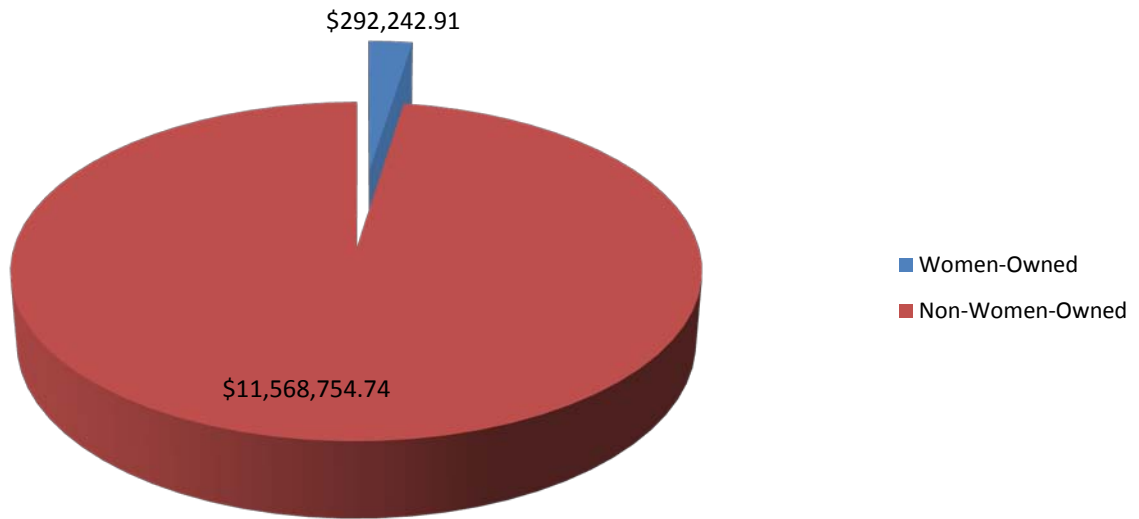


CHART 4(b)

Number of Businesses Reimbursed under MO Job Development Fund

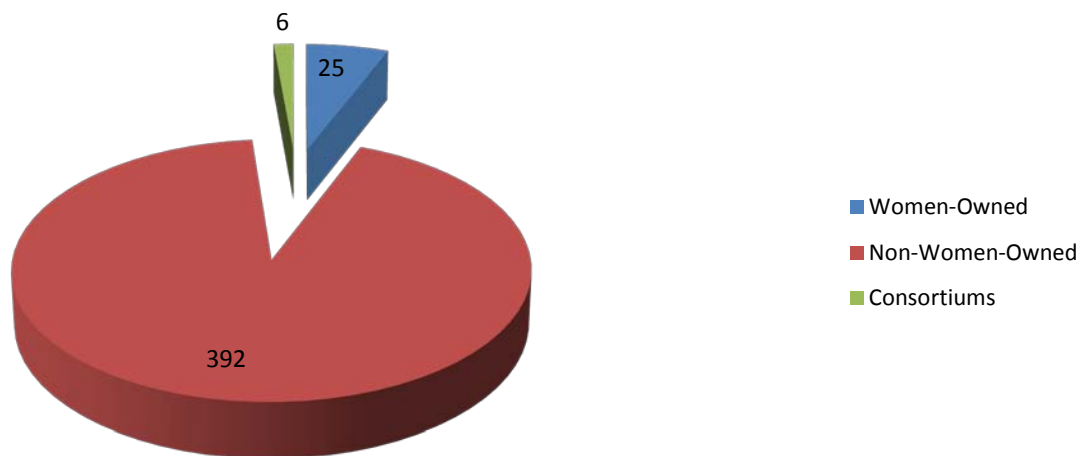


CHART 5(a)

Total Amount of Withholdings Retained

■ Women-Owned ■ Non-Women-Owned

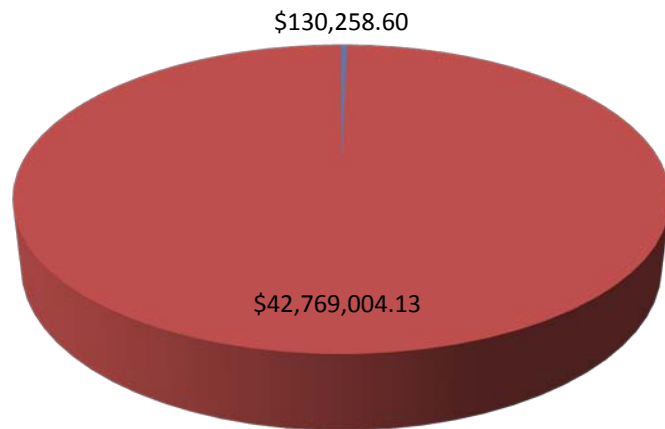


CHART 5(b)

Amount of Withholdings Retained for New v. Retained Jobs

■ For New Jobs ■ For Job Retention

